

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
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**Dylan M. Fuge, Director**  
Oil Conservation Division (Acting)



Mr. Robert T. Carlson  
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**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL - 8689**

**Hilcorp Energy Company [OGRID 372171]  
Burnt Mesa Federal Com Well No. 601H  
API No. 30-045-PENDING**

Reference is made to your application received on December 12<sup>th</sup>, 2023.

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	1009 FSL & 259 FWL	M	26	32N	07W	San Juan
First Take Point	11 FSL & 330 FWL	M	26	32N	07W	San Juan
Last Take Point	61 FSL & 330 FEL	P	25	32N	07W	San Juan
Terminus	61 FSL & 230 FEL	P	25	32N	07W	San Juan

**Proposed Horizontal Gas Units**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
S/2 of Section 26	640	Basin Mancos	97232
S/2 of Section 25			

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal **gas** well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 660 feet for a **gas** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal well shall be no closer than 330 feet for a **gas** in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard

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Hilcorp Energy Company  
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location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

This well's completed interval is as close as 11 - 61 feet to the southern boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

- Section 35, encroachment to the N/2
- Section 36, encroachment to the N/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. The Operator/Applicant of this well is a 100% Working Interest in the affected area; therefore, notice is not required.

The Division understands you are seeking this unorthodox location to maximize recovery of oil and gas reserves, to minimize surface disturbance and thereby preventing waste of natural resources within the Mancos formation underlying the S/2 of Section 26 and the S/2 of Section 25.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



**DYLAN M. FUGE**  
**DIRECTOR (Acting)**  
DMF/lrl

**Date:** 12/21/23

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 298227

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 298227
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	12/28/2023